

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6406

BILL NUMBER: SB 121

NOTE PREPARED: Dec 10, 2009

BILL AMENDED:

SUBJECT: Provisional Property Tax Statements.

FIRST AUTHOR: Sen. Randolph

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL
DEDICATED
FEDERAL**

IMPACT: Local

Summary of Legislation: This bill requires the treasurer in a county of a designated population to use provisional property tax statements for taxes based on the assessment date in 2009 or a later year if the county auditor fails to deliver the abstract for that assessment date to the county treasurer before March 16 of the year following the assessment date.

Effective Date: January 1, 2009 (retroactive).

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: Under current law, a county *may elect* to send out provisional tax statements to its taxpayers if the county abstract is not completed by March 15th of the tax payment year. The abstract is prepared when tax rates are certified and tax bills are figured. Provisional bills are based on not more than 100% of the previous year's taxes. The first installment is due on May 10th unless the notice of reassessment or trended assessment is sent after March 26th, in which case the payment is due 45 days after the tax billing statement is mailed. The second installment is due on November 10th unless the May due date was delayed, in which case the November due date may be moved to any date through December 31st.

Under this proposal, the provisional bills would be *required* in Lake County if the county abstract is not completed by March 15th of the tax payment year. If the normal billing cycle is delayed, an earlier billing

under this proposal could reduce or eliminate the interest expense incurred by local civil taxing units and school corporations to borrow money for cash flow purposes.

State Agencies Affected:

Local Agencies Affected: All taxing units in Lake County.

Information Sources:

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